

**Chapter 51.44 RCW
FUNDS**

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RCW 51.44.010 Accident fund. There shall be, in the office of the state treasurer, a fund to be known and designated as the "accident fund." [1961 c 23 s 51.44.010. Prior: 1947 c 247 s 1(4d), part; Rem. Supp. 1947 s 7676d, part.]

RCW 51.44.020 Medical aid fund. There shall be, in the office of the state treasurer, a fund to be known and designated as the

"medical aid fund." [1961 c 23 s 51.44.020. Prior: 1923 c 136 s 8, part; 1919 c 129 s 1, part; 1917 c 28 s 4, part; RRS s 7713, part.]

RCW 51.44.023 Industrial insurance rainy day fund—

Administration—Advisory committee. (1) There shall be, in the custody of the state treasurer, a fund to be known and designated as the industrial insurance rainy day fund.

(2) The director shall be the administrator of the fund, may transfer moneys into and out of the fund only as authorized by this section, and shall separately account for moneys in the fund from the accident and medical aid funds. The assets of this fund shall not be used for any purposes other than meeting the obligations of this title.

(3) Before proposing premium rates as provided in RCW 51.16.035, the director shall determine whether the assets of the accident and medical aid funds combined are at least ten percent but not more than thirty percent in excess of its funded liabilities, and if so transfer any excess to the industrial insurance rainy day fund, unless doing so would:

(a) Threaten the department's ability to meet the obligations of this title;

(b) Result in total assets of the rainy day fund combined with the assets of the accident and medical aid funds to exceed thirty percent of the accident and medical aid funds' liabilities.

(4) The workers' compensation advisory committee shall create a finance subcommittee made up of six members, three of whom shall represent business, and three of whom shall represent workers. The director or director's designee shall chair the committee. The committee shall provide recommendations for any changes to subsection (3)(b) of this section to the appropriate committees of the legislature by December 1, 2011.

(5) When adopting premium rates, the director may transfer moneys from the industrial insurance rainy day fund into the accident fund or medical aid fund upon finding that the transfer is necessary to reduce a rate increase or aid businesses in recovering from or during economic recessions. The director may also transfer moneys from this fund at any time liabilities increase so that total liabilities exceed assets of the accident fund, medical aid fund, or both.

(6) Notwithstanding chapter 51.52 RCW, the director's decisions regarding transfers into and out of the industrial insurance rainy day fund are not reviewable by any court or tribunal, but must be announced as part of the rule-making process for setting premium rates, and must be part of the department's rule-making file required by chapter 34.05 RCW. [2011 1st sp.s. c 37 s 601.]

Finding—Effective date—2011 1st sp.s. c 37: See notes following RCW 51.32.090.

RCW 51.44.030 Reserve fund. There shall be, in the office of the state treasurer, a fund to be known and designated as the "reserve fund." [1961 c 23 s 51.44.030. Prior: 1957 c 70 s 39; prior: 1949 c 219 s 1, part; 1947 c 246 s 1, part; 1929 c 132 s 2, part; 1927 c 310 s 4, part; 1923 c 136 s 2, part; 1919 c 131 s 4, part; 1917 c 28 s 1,

part; 1913 c 148 s 1, part; 1911 c 74 s 5, part; Rem. Supp. 1949 s 7679, part.]

RCW 51.44.033 Supplemental pension fund. There shall be, in the office of the state treasurer, a fund to be known and designated as the "supplemental pension fund." The director shall be the administrator thereof. The fund shall be used for the sole purposes of making the additional payments therefrom prescribed in this title and the loans therefrom authorized in *RCW 49.86.190. [2007 c 357 s 23; 1975 1st ex.s. c 224 s 16; 1971 ex.s. c 289 s 18.]

***Reviser's note:** RCW 49.86.190 expired October 1, 2011.

Effective date—1975 1st ex.s. c 224: See note following RCW 51.04.110.

Effective dates—Severability—1971 ex.s. c 289: See RCW 51.98.060 and 51.98.070.

RCW 51.44.040 Second injury fund. (1) There is in the office of the state treasurer a fund to be known and designated as the "second injury fund," which may be used only for the purpose of defraying charges against employers and for supporting return-to-work outcomes for injured workers as provided in RCW 51.16.120, *51.32.095(4), and 51.32.250. The fund must be administered by the director. The state treasurer must be the custodian of the second injury fund and is authorized to disburse moneys from it only upon written order of the director.

(2) Payments to the second injury fund from the accident fund must be made pursuant to rules adopted by the director. Costs of these payments may not affect the experience rating of employers insured by the state fund.

(3)(a) Assessments for the second injury fund must be imposed on self-insurers pursuant to rules adopted by the director. Such rules must provide for at least the following:

(i) Except as provided in (a)(ii) of this subsection, the amount assessed each self-insurer must be in the proportion that the payments made from the fund on account of claims made against self-insurers bears to the total sum of payments from the fund.

(ii) Except as provided in section 2, chapter 475, Laws of 2005, beginning with assessments imposed on or after July 1, 2009, the department must experience rate the amount assessed each self-insurer as long as the aggregate amount assessed is in the proportion that the payments made from the fund on account of claims made against self-insurers bears to the total sum of payments from the fund. The experience rating factor must provide equal weight to the ratio between expenditures made by the second injury fund for claims of the self-insurer to the total expenditures made by the second injury fund for claims of all self-insurers for the prior three fiscal years and the ratio of workers' compensation claim payments under this title made by the self-insurer to the total worker's compensation claim payments made by all self-insurers under this title for the prior three fiscal years. The weighted average of these two ratios must be divided by the latter ratio to arrive at the experience factor.

(b) For purposes of this subsection, "expenditures made by the second injury fund" mean the costs and charges described under RCW 51.32.250 and 51.16.120(4), and the amounts assessed to the second injury fund as described under RCW 51.16.120(1). Under no circumstances does "expenditures made by the second injury fund" include any subsequent payments, assessments, or adjustments for pensions, where the applicable second injury fund entitlement was established outside of the three fiscal years. [2015 c 137 s 6; 2005 c 475 s 1; 1982 c 63 s 14; 1977 ex.s. c 323 s 21; 1972 ex.s. c 43 s 27; 1961 c 23 s 51.44.040. Prior: 1959 c 308 s 17; 1947 c 183 s 1; 1945 c 219 s 2; Rem. Supp. 1947 s 7676-1b.]

***Reviser's note:** RCW 51.32.095 was amended by 2024 c 90 s 2, changing subsection (4) to subsection (5), effective January 1, 2025.

Application—2015 c 137 ss 1, 2, and 6: See note following RCW 51.16.120.

Rules—2015 c 137: See note following RCW 51.32.096.

Contingent expiration date—Outcome study—Report—2005 c 475:

"(1) If the outcome study conducted by the department of labor and industries under subsection (2)(a)(i) or (ii) of this section shows a negative impact of fifteen percent or more to workers following claim closure among nonpension self-insured claimants, section 1, chapter 475, Laws of 2005 expires June 30, 2013.

(2) The department shall conduct an outcome study of the experience rating system established in section 1, chapter 475, Laws of 2005. In conducting the study, the department must:

(a) Compare the outcomes for workers of self-insured employers whose industrial insurance claims with temporary total disability benefits for more than thirty days are closed between July 1, 2002, and June 30, 2004, with similar claims of workers of self-insured employers closed between July 1, 2009, and June 30, 2011. For the purposes of subsection (1) of this section, the department must provide two separate comparisons of such workers as follows: (i) The first comparison includes the aggregate preinjury wages for all nonpension injured workers compared with their aggregate wages at claim closure in each of the two study groups; and (ii) the second comparison includes the proportion of all nonpension injured workers who are found able to work but have not returned to work, as reported by self-insurers in the eligibility assessment reports submitted to the department on the claims in the first study group, compared with the proportion of such workers who are found able to work but have not returned to work, as reported in the eligibility assessment reports submitted on claims in the second study group;

(b) Study whether the workers potentially impacted by the experience rating program have improved return-to-work outcomes, whether the number of impacted workers found to be employable increases, whether there is a change in long-term disability outcomes among the impacted workers, and whether the number of permanent total disability pensions among impacted workers is affected and, if so, the nature of the impact; and

(c) Develop, in consultation with representatives of the impacted workers and the self-insured community, a study methodology that must be provided to the workers' compensation advisory committee for review and comment. The study methodology must include appropriate controls

to account for economic fluctuation, wage inflation, and other independent variables.

(3) The department must report to the appropriate committees of the legislature by December 1, 2012, on the results of the study." [2005 c 475 s 2.] The department report issued in December 2012 stated there was no evidence of a negative impact on injured workers of fifteen percent or more. Section 1, chapter 475, Laws of 2005 does not expire.

Effective dates—Implementation—1982 c 63: See note following RCW 51.32.095.

Severability—Effective date—1977 ex.s. c 323: See notes following RCW 51.04.040.

RCW 51.44.050 Catastrophe injury account. There shall be a special account within the accident fund to be known as the "catastrophe injury account" which shall be used only for the purpose of defraying charges against it as provided in RCW 51.16.130. [1961 c 23 s 51.44.050. Prior: 1959 c 308 s 6; 1957 c 70 s 40; prior: 1947 c 247 s 1(4f), part; 1911 c 74 s 4, part; Rem. Supp. 1947 s 7676f, part.]

RCW 51.44.060 Charge to accident fund for the catastrophe injury account. The charge to the accident fund to defray charges against the catastrophe injury account shall be made pursuant to rules and regulations promulgated by the director. [1972 ex.s. c 43 s 28; 1961 c 23 s 51.44.060. Prior: 1959 c 308 s 7; 1957 c 70 s 41; prior: 1947 c 247 s 1(4f), part; 1911 c 74 s 4, part; Rem. Supp. 1947 s 7676f, part.]

RCW 51.44.070 Transfer from accident fund and/or appropriate accounts to reserve fund—Annuity values. For every case resulting in death or permanent total disability the department shall transfer on its books from the accident fund of the proper class and/or appropriate account to the "reserve fund" a sum of money for that case equal to the estimated present cash value of the monthly payments provided for it, to be calculated upon the basis of an annuity covering the payments in this title provided to be made for the case. Such annuity values shall be based upon rates of mortality, disability, remarriage, and interest as determined by the department, taking into account the experience of the reserve fund and self-insurance reserve fund in such respects. [2023 c 110 s 6; 2018 c 282 s 1; 1992 c 124 s 1; 1989 c 190 s 1; 1983 c 312 s 1; 1981 c 325 s 1; 1971 ex.s. c 289 s 56; 1961 c 274 s 5; 1961 c 23 s 51.44.070. Prior: 1959 c 308 s 8; 1957 c 70 s 42; prior: 1951 c 236 s 7; 1941 c 169 s 1; Rem. Supp. 1941 s 7705-2; prior: 1929 c 132 s 2, part; 1927 c 310 s 4, part; 1923 c 136 s 2, part; 1919 c 131 s 4, part; 1917 c 28 s 1, part; 1913 c 148 s 1, part; 1911 c 74 s 5, part; Rem. Supp. 1949 s 7679, part.]

Effective date—2023 c 110 ss 1 and 4-13: See note following RCW 51.44.155.

Effective dates—Severability—1971 ex.s. c 289: See RCW 51.98.060 and 51.98.070.

RCW 51.44.073 Transfer from self-insurer into the reserve fund—Annuity values—Alternative—Penalty for delay or refusal to reimburse.

(1) For every case resulting in death or permanent total disability, a self-insurer in these circumstances shall pay into the self-insurance reserve fund a sum of money for that case equal to the estimated present cash value of the monthly payments provided for it, to be calculated upon the basis of an annuity covering the payments in this title provided to be made for the case. Such annuity values shall be based upon rates of mortality, disability, remarriage, and interest as determined by the department, taking into account the experience of the reserve fund and self-insurance reserve fund in such respects.

(2) As an alternative to payment procedures otherwise provided under law, in the event of death or permanent total disability to workers of self-insured employers, a self-insured employer may upon establishment of such obligation file with the department a bond, an assignment of account from a federally or state chartered commercial banking institution authorized to conduct business in the state of Washington, or purchase an annuity, in an amount deemed by the department to be reasonably sufficient to insure payment of the pension benefits provided by law. Any purchase of an annuity shall be from an institution meeting the following minimum requirements: (a) The institution must be rated no less than "A+" by A.M. Best, and no less than "AA" by Moody's and by Standard & Poor's; (b) the value of the assets of the institution must not be less than ten billion dollars; (c) not more than ten percent of the institution's assets may include bonds that are rated less than "BBB" by Moody's and Standard & Poor's; (d) not more than five percent of the assets may be held as equity in real estate; and (e) not more than twenty-five percent of the assets may be first mortgages, and not more than five percent may be second mortgages. The department shall adopt rules governing assignments of account and annuities. Such rules shall ensure that the funds are available if needed, even in the case of failure of the banking institution, the institution authorized to provide annuities, or the employer's business.

The annuity value for every such case shall be determined by the department based upon the department's experience as to rates of mortality, disability, remarriage, and interest. The amount of the required bond, assignment of account, or annuity may be reviewed and adjusted periodically by the department, based upon periodic redeterminations by the department as to the outstanding annuity value for the case.

Under such an alternative, the department shall administer the payment of this obligation to the beneficiary or beneficiaries. The department shall be reimbursed for all such payments from the self-insured employer through periodic charges not less than quarterly in a manner to be determined by the director. The self-insured employer shall additionally pay to the department a deposit equal to the first three months' payments otherwise required under RCW 51.32.050 and 51.32.060. Such deposit shall be placed in the self-insurance reserve fund in accordance with RCW 51.44.140 and shall be returned to the respective self-insured employer when monthly payments are no longer required for such particular obligation.

If a self-insurer delays or refuses to reimburse the department beyond fifteen days after the reimbursement charges become due, there shall be a penalty paid by the self-insurer upon order of the director of an additional amount equal to twenty-five percent of the amount then due which shall be paid into the self-insurance reserve fund. Such an order shall conform to the requirements of RCW 51.52.050. [2023 c 110 s 7; 2018 c 282 s 2.]

Effective date—2023 c 110 ss 1 and 4-13: See note following RCW 51.44.155.

RCW 51.44.080 Reserve fund—Transfers from state fund—Surplus—Deficiency. The department shall notify the state treasurer from time to time, of transfers as a whole from the state fund to the reserve fund and from self-insured employers to the self-insurance reserve fund and the interest or other earnings of the reserve fund shall become a part of the reserve fund itself. Interest or other earnings of the self-insurance reserve fund shall become a part of the self-insurance reserve fund itself. As soon as possible after June 30th of each year the department shall expert the reserve fund and self-insurance reserve fund separately to ascertain the standing of the funds as of June 30th of that year and the relation of the outstanding annuities at their then value to the cash on hand or at interest belonging to the funds. The department shall promptly report the result of the examinations to the state treasurer in writing not later than September 30th following. If the report shows that there was on said June 30th, in the reserve fund or self-insurance reserve fund in cash or at interest, a greater sum than the then annuity value of the outstanding pension obligations, the surplus in the reserve fund shall be forthwith turned over to the state fund and the surplus in the self-insurance reserve fund shall be forthwith turned over to the appropriate self-insured employer accounts under RCW 51.44.140 but, if the report shows the contrary condition, the deficiency of the reserve fund shall be forthwith made good out of the state fund and the deficiency in the self-insurance fund shall be made good from the appropriate self-insured employer accounts under RCW 51.44.140. [2023 c 110 s 8; 1989 c 190 s 2; 1988 c 161 s 8; 1972 ex.s. c 43 s 29; 1971 ex.s. c 289 s 57; 1961 c 23 s 51.44.080. Prior: 1957 c 70 s 43; prior: 1949 c 219 s 1, part; 1947 c 246 s 1, part; 1929 c 132 s 2, part; 1927 c 310 s 4, part; 1923 c 136 s 2, part; 1919 c 131 s 4, part; 1917 c 28 s 1, part; 1913 c 148 s 1, part; 1911 c 74 s 5, part; Rem. Supp. 1949 s 7679, part.]

Effective date—2023 c 110 ss 1 and 4-13: See note following RCW 51.44.155.

RCW 51.44.090 Reserve fund record and maintenance by state treasurer. The state treasurer shall keep accurate accounts of the reserve fund and the investment and earnings thereof, to the end that the total reserve fund shall at all times, as nearly as may be, be properly and fully invested and, to meet current demands for pension or lump sum payments, may, if necessary, make temporary loans to the reserve fund out of the accident fund, repaying the same from the earnings of the reserve fund or from collections of its investments

or, if necessary, sales of the same. [1972 ex.s. c 43 s 31; 1961 c 23 s 51.44.090. Prior: 1957 c 70 s 44; prior: 1949 c 219 s 1, part; 1947 c 246 s 1, part; 1929 c 132 s 2, part; 1927 c 310 s 4, part; 1923 c 136 s 2, part; 1919 c 131 s 4, part; 1917 c 28 s 1, part; 1913 c 148 s 1, part; 1911 c 74 s 5, part; Rem. Supp. 1949 s 7679, part.]

RCW 51.44.100 Investment of accident, medical aid, reserve, self-insurance reserve, industrial insurance rainy day, supplemental pension funds. Whenever, in the judgment of the state investment board, there shall be in the accident fund, medical aid fund, reserve fund, self-insurance reserve fund, industrial insurance rainy day fund, or the supplemental pension fund, funds in excess of that amount deemed by the state investment board to be sufficient to meet the current expenditures properly payable therefrom, the state investment board may invest and reinvest such excess funds in the manner prescribed by RCW 43.84.150, and not otherwise.

The state investment board may give consideration to the investment of excess funds in federally insured student loans made to persons in vocational training or retraining or reeducation programs. The state investment board may make such investments by purchasing from savings and loan associations, commercial banks, mutual savings banks, credit unions and other institutions authorized to be lenders under the federally insured student loan act, organized under federal or state law and operating in this state loans made by such institutions to residents of the state of Washington particularly for the purpose of vocational training or reeducation: PROVIDED, That the state investment board shall purchase only that portion of any loan which is guaranteed or insured by the United States of America, or by any agency or instrumentality of the United States of America: PROVIDED FURTHER, That the state investment board is authorized to enter into contracts with such savings and loan associations, commercial banks, mutual savings banks, credit unions, and other institutions authorized to be lenders under the federally insured student loan act to service loans purchased pursuant to this section at an agreed upon contract price. [2023 c 110 s 9; 2011 1st sp.s. c 37 s 602; 1990 c 80 s 1; 1981 c 3 s 41; 1973 1st ex.s. c 103 s 6; 1972 ex.s. c 92 s 2; 1965 ex.s. c 41 s 1; 1961 c 281 s 10; 1961 c 23 s 51.44.100. Prior: 1959 c 244 s 1; 1935 c 90 s 1; RRS s 7705-1.]

Effective date—2023 c 110 ss 1 and 4-13: See note following RCW 51.44.155.

Finding—Effective date—2011 1st sp.s. c 37: See notes following RCW 51.32.090.

Effective dates—Severability—1981 c 3: See notes following RCW 43.33A.010.

Severability—1973 1st ex.s. c 103: See note following RCW 2.10.080.

Legislative finding—Purpose—1972 ex.s. c 92: "The legislature finds that the accident fund, medical aid fund and reserve funds could be invested in such a manner as to promote vocational training and retraining or reeducation among the workers of this state. The

legislature recognizes that federally insured student loans are already available to students at institutions of higher education. The legislature declares that the purpose of this 1972 amendatory act is to encourage the state finance committee to consider making some investment funds available for investment in federally insured student loans made to persons enrolled in vocational training and retraining or reeducation programs." [1972 ex.s. c 92 s 1.]

Motor vehicle fund warrants for state highway acquisition: RCW 47.12.180 through 47.12.240.

Rehabilitation services for individuals with disabilities: Chapter 74.29 RCW.

Student loans: RCW 28B.10.280.

Uniform Minor Student Capacity to Borrow Act: Chapter 26.30 RCW.

RCW 51.44.110 Disbursements of funds. Disbursement out of the several funds shall be made only upon warrants or payments drawn by the department. The state treasurer shall pay every warrant or payment out of the fund upon which it is drawn. If, at any time, there shall not be sufficient money in the fund on which any such warrant or payment is drawn wherewith to pay the same, the employer on account of whose worker it was that the warrant or payment was drawn shall pay the same, and he or she shall be credited upon his or her next following contribution to such fund the amount so paid with interest thereon at the legal rate from the date of such payment to the date such next following contribution became payable and, if the amount of the credit shall exceed the amount of the contribution, he or she shall have a warrant or payment upon the same fund for the excess and, if any such warrant or payment shall not be so paid, it shall remain, nevertheless, payable out of the fund. [2013 c 125 s 8; 1977 ex.s. c 350 s 68; 1973 c 106 s 30; 1961 c 23 s 51.44.110. Prior: 1911 c 74 s 26, part; RRS s 7705, part.]

RCW 51.44.115 Financial statements and information—Annual audit and report. (1) The department shall:

(a) Prepare financial statements on the state fund in accordance with generally accepted accounting principles, including but not limited to financial statements on the accident fund, the medical aid fund, the pension reserve fund, the self-insurance reserve fund, the supplemental pension fund, and the second injury fund. Statements must be presented separately by fund and in the aggregate; and

(b) Prepare financial information for the accident fund, medical aid fund, pension reserve fund, and self-insurance reserve fund based on statutory accounting practices and principles promulgated by the national association of insurance commissioners for the purpose of maintaining actuarial solvency of these funds.

(2) Beginning in 2006, and, to avoid duplication, coordinated with any audit that may be conducted under RCW 43.09.310, the state auditor shall conduct annual audits of the state fund. As part of the audits required under this section, the state auditor may contract

with firms qualified to perform all or part of the financial audit, as necessary.

(a) The firm or firms conducting the reviews shall be familiar with the accounting standards applicable to the accounts under review and shall have experience in workers' compensation reserving, discounting, and rate making.

(b) The scope of the financial audit shall include, but is not limited to:

(i) An opinion on whether the financial statements were prepared in accordance with generally accepted accounting principles;

(ii) An assessment of the financial impact of the proposed rate level on the actuarial solvency of the accident, medical aid, and pension reserve funds, taking into consideration the risks inherent with insurance and the effects of the actuarial assumptions, discount rates, reserving, retrospective rating program, refunds, and individual employer rate classes, as well as the standard accounting principles used for insurance underwriting purposes; and

(iii) A statement of actuarial opinion on whether the loss and loss adjustment expense reserves for the accident, medical aid, and pension reserve funds were prepared in accordance with generally accepted actuarial principles.

(c) The department shall cooperate with the state auditor in all respects and shall permit the state auditor full access to all information deemed necessary for a true and complete review.

(d) The cost of the audit shall be paid by the state fund under separate contract.

(3) The state auditor shall issue an annual report to the governor, the leaders of the majority and minority caucuses in the senate and the house of representatives, the director of the office of financial management, and the director of the department, on the results of the financial audit and reviews, within six months of the end of the fiscal year. The report may include recommendations.

(4) The audit report shall be available for public inspection.

(5) Within ninety days after the state auditor completes and delivers to the appropriate authority an audit under subsection (2) of this section, the director of the department shall notify the state auditor in writing of the measures taken and proposed to be taken, if any, to respond to the recommendations of the audit report. The state auditor may extend the ninety-day period for good cause. [2023 c 110 s 10; 2005 c 387 s 1.]

Effective date—2023 c 110 ss 1 and 4-13: See note following RCW 51.44.155.

RCW 51.44.120 Liability of state treasurer. The state treasurer shall be liable on his or her official bond for the safe custody of the moneys and securities of the several funds, but all of the provisions of law relating to state depositaries and to the deposit of state moneys therein shall apply to the several funds and securities. [2010 c 8 s 14010; 1961 c 23 s 51.44.120. Prior: (i) 1911 c 74 s 26, part; RRS s 7705, part. (ii) 1917 c 28 s 14; RRS s 7723.]

RCW 51.44.140 Self-insurer deposits into self-insurance reserve fund—Accounts within fund—Surpluses and deficits. Each self-insurer

shall make such deposits, into the self-insurance reserve fund, as the department shall require pursuant to RCW 51.44.073, as are necessary to guarantee the payments of the pensions established pursuant to RCW 51.32.050 and 51.32.060.

Each self-insurer shall have an account within the self-insurance reserve fund. Each such account shall be credited with its proportionate share of interest or other earnings as determined in RCW 51.44.080.

Each such account in the self-insurance reserve fund shall be expeted as required in RCW 51.44.080. Any surpluses shall be forthwith returned to the respective self-insurers, and each deficit shall forthwith be made good to the self-insurance reserve fund by the self-insurer. [2023 c 110 s 11; 2018 c 282 s 3; 1972 ex.s. c 43 s 30; 1971 ex.s. c 289 s 58.]

Effective date—2023 c 110 ss 1 and 4-13: See note following RCW 51.44.155.

RCW 51.44.142 Self-insured employer overpayment reimbursement fund. The self-insured employer overpayment reimbursement fund is created in the custody of the state treasurer. Expenditures from the account may be used only for reimbursing the self-insurance reserve fund and self-insured employers for benefits overpaid during the pendency of board or court appeals in which the self-insured employer prevails and has not recovered. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. [2023 c 110 s 12; 2008 c 280 s 4.]

Effective date—2023 c 110 ss 1 and 4-13: See note following RCW 51.44.155.

Application—2008 c 280: See note following RCW 51.52.050.

RCW 51.44.145 Self-insured insurer program—Administrative costs. Moneys used for administrative costs for one-time projects requested by self-insured employers and that will support the self-insured employer program is subject to the allotment of all expenditures pursuant to chapter 43.88 RCW. However, an appropriation is not required for expenditures. Administrative costs include, but are not limited to, the salaries and expenses of staff required to implement the one-time projects and travel, goods, and services necessary to conduct these activities. The department must use self-insured employer administrative assessments to cover the costs of these services. The department must seek support from self-insured employers prior to accessing these funds. [2015 c 177 s 2.]

RCW 51.44.150 Assessments upon self-insurers for administration costs. The director shall impose and collect assessments each fiscal year upon all self-insurers in the amount of the estimated costs of administering their portion of this title during such fiscal year. These assessments shall also include the assessments for the ombuds's

office provided for in RCW 51.14.390. The time and manner of imposing and collecting assessments due the department shall be set forth in regulations promulgated by the director in accordance with chapter 34.05 RCW. [2013 c 23 s 116; 2007 c 281 s 11; 1971 ex.s. c 289 s 59.]

Effective dates—Severability—1971 ex.s. c 289: See RCW 51.98.060 and 51.98.070.

RCW 51.44.155 Self-insurance reserve fund. There shall be, in the office of the state treasurer, a fund to be known and designated as the "self-insurance reserve fund." [2023 c 110 s 1.]

Effective date—2023 c 110 ss 1 and 4-13: "Sections 1 and 4 through 13 of this act take effect July 1, 2025." [2023 c 110 s 17.]

RCW 51.44.160 Interfund loans between reserve, self-insurance reserve, and supplemental pension funds—Audit. The director is authorized to make periodic temporary interfund transfers between the reserve, self-insurance reserve, and supplemental pension funds as may be necessary to provide for payments from the supplemental pension fund as prescribed in this title. At least once annually, the director shall cause an audit to be made of all pension funds administered by the department to insure that proper crediting of funds has been made, and further to direct transfers between the funds for any interfund loans which may have been made in the preceding year and not fully reimbursed. [2023 c 110 s 13; 1975 1st ex.s. c 224 s 17; 1971 ex.s. c 289 s 60.]

Effective date—2023 c 110 ss 1 and 4-13: See note following RCW 51.44.155.

Effective date—1975 1st ex.s. c 224: See note following RCW 51.04.110.

Effective dates—Severability—1971 ex.s. c 289: See RCW 51.98.060 and 51.98.070.

RCW 51.44.170 Industrial insurance premium refund account. The industrial insurance premium refund account is created in the custody of the state treasurer. All industrial insurance refunds earned by state agencies or institutions of higher education under the state fund retrospective rating program shall be deposited into the account. The account is subject to the allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures from the account. Only the executive head of the agency or institution of higher education, or designee, may authorize expenditures from the account. No agency or institution of higher education may make an expenditure from the account for an amount greater than the refund earned by the agency. If the agency or institution of higher education has staff dedicated to workers' compensation claims management, expenditures from the account must be used to pay for that staff, but additional expenditure from the account may be used for any program within an agency or institution of higher education that promotes or

provides incentives for employee workplace safety and health and early, appropriate return-to-work for injured employees. During the 2009-2011 fiscal biennium, the legislature may transfer from the industrial insurance premium refund account to the state general fund such amounts as reflect the excess fund balance of the account. During the 2023-2025 fiscal biennium, the legislature may direct the state treasurer to transfer money in the industrial insurance premium refund account to the state general fund. [2025 c 424 s 1910; 2011 c 5 s 917; 2003 1st sp.s. c 25 s 926; 2002 c 371 s 916; 1997 c 327 s 1; 1991 sp.s. c 13 s 29; 1990 c 204 s 2.]

Effective date—2025 c 424: See note following RCW 9.46.100.

Effective date—2011 c 5: See note following RCW 43.03.220.

Severability—Effective date—2003 1st sp.s. c 25: See notes following RCW 19.28.351.

Severability—Effective date—2002 c 371: See notes following RCW 9.46.100.

Effective dates—Severability—1991 sp.s. c 13: See notes following RCW 18.08.240.

Findings—Purpose—1990 c 204: "The legislature finds that workplace safety in state employment is of paramount importance in maintaining a productive and committed state workforce. The legislature also finds that recognition in state agencies and institutions of higher education of industrial insurance programs that provide safe working environments and promote early return-to-work for injured employees will encourage agencies and institutions of higher education to develop these programs. A purpose of this act is to provide incentives for agencies and institutions of higher education to participate in industrial insurance safety programs and return-to-work programs by authorizing use of the industrial insurance premium refunds earned by agencies or institutions of higher education participating in industrial insurance retrospective rating programs. Since agency and institution of higher education retrospective rating refunds are generated from safety performance and cannot be set at predictable levels determined by the budget process, the incentive awards should not impact an agency's or institution of higher education's legislatively approved budget." [1997 c 327 s 2; 1990 c 204 s 1.]

Effective date—1990 c 204 s 2: "Section 2 of this act shall take effect July 1, 1990." [1990 c 204 s 6.]

RCW 51.44.180 Stay-at-work program—Administrative expenses—Advisory committee. (1) Moneys used for administrative expenses to assist employers with developing a stay-at-work program and other related services that respond to employer needs or employee needs, or both, in the stay-at-work program as they arise is subject to the allotment of all expenditures pursuant to chapter 43.88 RCW. However, an appropriation is not required for expenditures. Administrative expenses include, but are not limited to, the salaries and expenses of

staff required to implement the services and travel, goods, and services necessary to conduct these activities. The department must use stay-at-work program premiums to pay for these services. The department must seek the advice of the workers' compensation advisory committee prior to accessing these funds.

(2) The director must appoint a stay-at-work advisory committee composed of six members: Three representing large and small employers and three representing labor. At least one member of the committee must be a small business owner as defined by RCW 34.05.110(9)(a) or must represent a group primarily made up of small businesses. Appointed members representing employers must have experience working directly with the stay-at-work program. Statewide business and labor organizations, representing large and small employers, must provide the director with recommendations for people to serve on the committee. The department must provide staff support for this committee.

(3) The members must serve three-year terms. Terms of the members representing employers and labor must be staggered such that the director must designate one member from each group initially appointed whose term must expire after one year and one member from each group whose term must expire after two years. The remainder of the initial group must be appointed for three-year terms. Thereafter, members must be appointed for three-year terms.

(4) The members must serve without compensation, but must be entitled to travel expenses as provided in RCW 43.03.050 and 43.03.060. All expenses of this committee must be paid by the department.

(5) This committee must review department proposals, submitted by the director, to spend nonappropriated stay-at-work program premiums for administrative expenses as defined under subsection (1) of this section, and make recommendations to the workers' compensation advisory committee for their consideration. [2015 c 177 s 1.]

RCW 51.44.190 Construction registration inspection account—Fee levels—Transfers. (1) The construction registration inspection account is created in the state treasury. All moneys, except fines and penalties, received or collected under the terms of chapters 18.27 and 70.87 RCW and under the terms of RCW 43.22.335 through 43.22.430 and 43.22.432 through 43.22.495 must be deposited into the account. Moneys in the account may only be spent after appropriation. Expenditures from the account, not including moneys transferred to the general fund, may be used only to carry out the purposes of chapters 18.27 and 70.87 RCW and RCW 43.22.335 through 43.22.430 and 43.22.432 through 43.22.495.

(2) The department shall set the fees deposited in the account at a level that generates revenue that is as near as practicable to the amount of the appropriation to carry out the duties specified in this section.

(3) On the last working day of the first month following each quarterly period, three and one-half percent of all revenues received into the account during the previous quarter from licenses, permits, and registrations, net of refunds paid to customers, must be transferred into the general fund. During the 2025-2027 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the construction registration inspection

account to the general fund such amounts as reflect the excess fund balance of the account. [2025 c 424 s 967; 2023 c 213 s 10; 2017 3rd sp.s. c 11 s 4.]

Effective date—2025 c 424: See note following RCW 9.46.100.

Effective date—2023 c 213 s 10: "Section 10 of this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect June 30, 2023." [2023 c 213 s 13.]

Effective date—2017 3rd sp.s. c 11: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2017." [2017 3rd sp.s. c 11 s 5.]